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Report

TOURISM MARKET ANALYSIS

Cheyenne - Laramie County

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TOURISM MARKET ANALYSIS

Cheyenne-Laramie County, Wyoming

- Prepared for -

Cheyenne-Laramie County
Economic Development Task Force

- Prepared by -

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INTRODUCTION

A tourism market analysis was accomplished to provide information on the characteristics of this industry in Cheyenne-Laramie County. The analysis explores opportunities for strengthening this sector of the economy. The study draws on interviews with professionals in the industry, primary data sources and information from previous research.

The objectives of the analysis include:

- an overview of tourism trends in Wyoming and their effects on Cheyenne's visitor market
- a profile of Cheyenne attractions, examining historic visitor levels, seasonal patterns and visitor origins
- a review of Cheyenne's lodging industry including occupancy rates and market composition
- a discussion of the size of Cheyenne's convention market and available facilities
- an analysis of local tourism indicators which reflect the economic conditions of the industry
- a description of the impacts associated with tourism on the Cheyenne-Laramie County economy
- An assessment of tourism potential and a summary of recommendations which would enhance Cheyenne's tourism base

This overview is intended to provide the background necessary to incorporate tourism-related initiatives into a larger economic development framework for Cheyenne-Laramie County.

CHEYENNE-LARAMIE COUNTY TOURISM MARKET ANALYSIS

The role of tourism in Cheyenne requires an analysis of the visitor market. A profile of the state's tourist market and the local environment is provided.

Tourism encompasses a wide variety of activities which share the common characteristics of drawing people into the area from other regions. Natural resources for example often form the core of an area's tourism base. In Wyoming, visitors from all over the world are drawn to Yellowstone National Park because of its spectacular beauty. Tourism goes beyond the attractions of the natural environment. A dynamic shopping district or historic qualities can entice tourists. Special events, cultural arts or recreational amenities are also principal generators of tourist trade. In Cheyenne, a special event like Frontier Days forms the nucleus of a tourism market. The convention industry is also a potentially signficant source of tourist activity. It is important to understand the different aspects of tourism and how to encourage development in each of the areas to assure the depth and diversity of the city's tourist trade.

Wyoming Tourism

Overview. Cheyenne is well located to benefit from the high priority tourism has been given in the state in recent years. Wyoming has always attracted a substantial tourist population because of its many natural features. Yellowstone and Grand Teton national parks are the most popular tourist destinations. In 1985, over 4.3 million people visited these two areas:(1)

Wyoming National Parks & Monuments	Visitors
Grand Teton*	2,130,210
Yellowstone*	2,262,455
Devil's Tower**	228,090
Big Horn**	157,610
Fort Laramie**	90,112
Fossil Butte**	15,361

*1985
**1984

Historic visitor statistics to Yellowstone and Grand Teton appear in Table 1. The Cheyenne tourist market heavily depends on attracting pass-through travelers to these two destination points.

Since 1970, Yellowstone visitation has exhibited a fluctuating though modestly upward trend. Visitation peaked in 1978 with 2.6 million visitors. Lower 1979 visitor levels were the result of uncertain gasoline supplies. In 1985, visitation levels were near 1984 figures at 2.3 million potentially indicating a leveling off in this tourist market.

TABLE 1. HISTORIC VISITATION LEVELS AT YELLOWSTONE AND GRAND TETON NATIONAL PARKS

Year	Yellowstone	Grand Tetons
1960	1,443,288	1,429,905
1970	2,297,290	3,352,464
1975	2,246,132	2,807,027
1976	2,525,174	3,856,838
1977	2,487,084	3,973,672
1978	2,623,141	4,159,490
1979	1,891,917	3,466,350
1980	2,009,581	3,489,034
1981	2,544,242	3,598,454
1982	2,404,862	3,446,270
1983	2,405,653	2,571,204
1984	2,262,969	2,239,513
1985	2,262,455	2,130,210

Source: National Park Service.

Visitor levels in Grand Teton resemble the patterns evidenced in Yellowstone. Lower visitor levels in 1983 in part reflect a change in estimating procedures and likely over estimate the decline in visitors. Despite this, park visitation has shown little growth since 1978. Since 1981, visitation declined to a low of 2.1 million in 1985.

The lack of growth in Wyoming National Park visitation in 1985 resulted despite a healthy national economy. Part of this is explained by competition from other places. For example, the strong dollar in Europe prompted an unprecedented number of American travelers to vacation abroad. In 1985, one million Americans ventured overseas. As the value of the dollar declines abroad and if terrorist activities persist, a dampening of the overseas travel will likely result. This could translate into higher visitor levels at national parks as tourists refocus their attention to national attractions. Further, the incidence of foreign travelers to the U.S. will likely increase. Declining gasoline prices are also expected to have a positive impact on travel. Visitors might be encouraged to take longer trips when fuel costs are down.

Indicators. Other historic tourist indicators in the state also point to a moderately declining or flat visitor market. Table 2 shows gasoline consumption and accommodations tax receipts for Wyoming. Gasoline consumption has dropped steadily since 1981. In 1984, 329.7 million gallons of gasoline were sold in the state. The highest volume occurs in the third quarter coincident with the peak tourist season.

Lodging tax revenues have exhibited a general decline over time. In 1985, receipts equaled $5.5 million, down from $5.6 million the previous year. Accommodation taxes reflect the seasonality of Wyoming's tourist market; nearly two-fifths of lodging revenues accrue in the third quarter.

Economic impact of tourism on Wyoming. The economic impact of tourism on the state's economy was the subject of a study prepared by the U.S. Travel Data Center in 1981. It found that tourism substantially contributes to Wyoming employment and income. Tourist expenditures in Wyoming in 1981 were estimated at $738 million.(2) These revenues made up 4.7 percent of the state's tax collections. The tourist industry employs 20,600 workers, or nine percent of state employment. According to the U.S. Travel Data Center, wage and salary income attributable to tourism equaled $141 million in 1981.

Since 1981 the tourism market has slowed in the state. Although more recent estimates of economic impact are unavailable, it is likely that the level of tourist expenditures and subsequent effect on income and employment is down, at least in the short term.

Cheyenne-Laramie County Attractions

The Cheyenne visitor market is generally comprised of pass-through travelers on their way to other destinations. The city is uniquely situated along two interstates to capture this pass-through trade. Frontier Days and to a lesser extent the State Capitol are the exceptions which attract a destination-oriented visitor.

TABLE 2. TOURISM INDICATORS FOR STATE OF WYOMING

Year	Gasoline Gallons (000)	Hotel, Motel and Camp Sales Tax (000)
1980	352,181	$5,894
1981	364,583	5,828
1982	356,184	6,069
1983	339,517	5,374
1984	329,727	5,630
1985		
1st Qtr	66,798	932
2nd Qtr	83,529	1,070
3rd Qtr	101,676	2,136
4th Qtr	NA	1,370
		5,508

Source: Wyoming Quarterly Update, Institute for Policy Research, University of Wyoming, selected years.

Cheyenne has several modest attractions which vie for the tourist market. Visitor levels and origin statistics provide insight into the character of Cheyenne's tourists:

Frontier Days, Cheyenne's best known event, adds to the image and vitality of the city. For 10 days each year, this event transforms the economic and social life of the community.(3)

Frontier Days operates as a self-governing committee of the Chamber. Its funds derive from ticket sales, concession agreements and other sources of income. Ten paid staff members manage operations, including ticket sales, marketing, planning and maintaining the 100 acre park. During the actual event, about 2,500 volunteers help with numerous aspects of the operations. The annual budget for Frontier Days approximates $2 million. At least six percent of the funds are used for marketing and advertising. The not-for-profit organization reinvests all proceeds into the show and grounds.

Visitor statistics are difficult to obtain for Frontier Days. The primary means of keeping track of visitors is through gate admissions. However, many volunteers and performers are given complimentary passes. Further, many people come into town for the celebration but do not necessarily visit the rodeo grounds.

Ticket counts for 1980 through 1984 indicate a persistent decline in ticket sales. Part of this is attributable to the passing of the "urban cowboy" fad throughout the nation. The trend reversed somewhat in 1985 when ticket sales for the rodeo and night show equaled 136,056:

	Number of Rodeo and Night Show Tickets Sold for Frontier Days		
Year	Rodeo	Night Show	Total
1980	98,255	70,500	168,755
1981	107,282	84,465	191,747
1982	95,232	71,462	166,694
1983	88,359	63,316	151,675
1984	76,960	54,595	131,555
1985	75,019	61,037	136,056

Total attendance over the 10 day period is approximated at 300,000. Inquiries are up an estimated 15 percent this year, so attendance at Frontier Days is likely to be greater in 1986.

While statistics do not exist, it is believed that the market for Frontier Days is largely local from within a radius of approximately 100 miles. The director of Frontier Days estimates that 70 percent of visitors come from the Front Range area. Another 20 percent of the market is made up of destination-oriented visitors from outside the primary market. Finally, 10 percent are tourists passing through the area or planning a longer trip to coincide with Frontier Days. The magnitude of the destination or tourist market has receded in recent years as evidenced in total levels of attendance. The local market remains fairly stable over time.

One origin measure, advance ticket orders confirms the predominance of Wyoming and Colorado markets. Residents of Wyoming and Colorado placed over three-fourths of advance orders. Nebraskans led other states among the remaining 20 percent of sales. Detailed information in Table 3 indicates that many inquiries for Frontier Days come from all over the country. The central region accounted for two-fifths of 1985 inquiries:

	Distribution of Advance Ticket Sales for Frontier Days
Wyoming	53.4%
Colorado	26.9
Elsewhere	19.7
Total	100.0%

State capitol. The state capitol appeals to certain tourists in the area. Since 1980, an average of 16,100 visitors tour the capitol each summer:(4)

Year	Number of Visitors to State Capitol
1980	14,999
1981	17,140
1982	16,521
1983	15,821
1984	16,283
1985	15,801

In 1985, visitor levels fell three percent from 1984 levels. A guest book maintained during the months of May through September indicates that 80 percent of visits take place during the months of June, July and August.

Origin data denote that the capitol attracts a broad geographic distribution of visitors in these summer months:

	Percent of Visitors	
Origin	1980	1985
Wyoming	16.8%	13.6%
West	24.3	27.3
Central	33.4	33.3
Southeast	7.8	10.1
Northeast	12.6	12.3
Foreign	5.1	3.3
Total	100.0%	99.9%

One-third of visitors originate from central states, most notably Texas and Illinois. The proportion of visitors by region has held fairly steady over time.

TABLE 3. CHEYENNE FRONTIER DAYS INQUIRIES AND ADVANCE TICKET ORDERS, 1985

	Percent	
Region	Advance Ticket Orders	Inquiries
Northeast	2.5%	17.4%
Central	10.9	41.2
Southeast	2.1	9.8
West	3.7	13.9
Subtotal*	19.7%	82.3%
Colorado	26.9%	13.9%
Wyoming	53.4	3.7
Total	100.0%	99.9%
Total Number	3,776	8,168

*Does not sum to 19.7 percent due to rounding.

Source: Cheyenne Frontier Days, March 1986.

Wyoming State Museum and Governor's Mansion. Tours of these state attractions are offered throughout the year. Both facilities are managed by the Archives, Museums and Historical Department of the State of Wyoming. The museum primarily features exhibits of Plains Indians and frontier culture. The mansion displays furnishings and documents history of the state's previous governors. Both facilities are used for educational programs and special events.

Visitor levels at the museum and mansion point to a slow decline. While about six percent of total visitation is comprised of students and other groups on special tours, the numbers are excluded from visitor levels:(5)

	Annual Number of Visitors	
	Wyoming State Museum	Historic Governor's Mansion
1980	36,419	not open
1981	38,520	8,721
1982	39,613	11,460
1983	39,836	11,694
1984	39,145	10,590
1985	32,500	10,528

In 1985, 32,500 visitors toured the museum, down 17 percent from the previous year. The mansion attracted 10,528 visitors in 1985, compared to 1984 levels.

Nearly half of the visitors pass through the museum between July and September. Winter months draw few visitors:

	Quarterly Distribution of Visitors to Museum, Fiscal Year, 1985	
Quarterly Period	Number	Percent
July-September 1984	14,940	46.0%
October-December 1984	4,819	14.8
January-March 1985	4,031	12.4
April-June 1985	8,710	26.8
Total	32,500	100.0%

The National First Day Cover Museum, sponsored by Unicover Corporation, displays first day covers. It also housed an old fashion post office until June 1984. The museum is open year round. In 1985, an estimated 9,100 visitors toured the museum.(6) Between 40 and 50 percent of visitation takes place between July and September.

Visitor origin data reflect trends found in other attractions:

Origin	Distribution of Visitors 1980	1985
Wyoming	16.2%	19.8%
West	38.6	24.8
Central	25.8	30.2
Southeast	7.4	10.7
Northeast	13.4	12.4
Foreign	6.2	3.9

Approximately 30 percent of tourists have traveled from central states. Texas and Illinois are primary states of origin within this region.

Wyoming Travel Commission Visitor Center. The Visitor Center, south of Cheyenne on I-25, provides tourist information and promotional materials.

Nearly 112,000 travelers passed through the center in 1985:(7)

Year	Annual Number of Visitors to Visitor Center
1981	116,175
1982	115,411
1983	111,435
1984	116,886
1985	111,803

Visitation levels exhibit annual fluctuations. The 1985 numbers were four percent below 1984 records.

Quarterly statistics confirm seasonal trends. Nearly 57 percent of travelers stopped at the visitor center between July and September. The spring season accounts for 29 percent of visitation:

Quarterly Period	Number of Visitors, Quarterly Distribution, 1982 and 1985: 1982	1985
January-March	7.3%	6.1%
April-June	29.1	28.9
July-September	55.5	56.6
October-December	8.2	8.4
Total	100.1%	100.0%

A breakdown of visitation by origin in Table 4 shows that the largest single group of visitors originated from Colorado. Texas, California, Illinois and Florida follow, accounting for nearly one-fourth of 1985 visitors. Figure 1 depicts the geographic distribution of visitors.

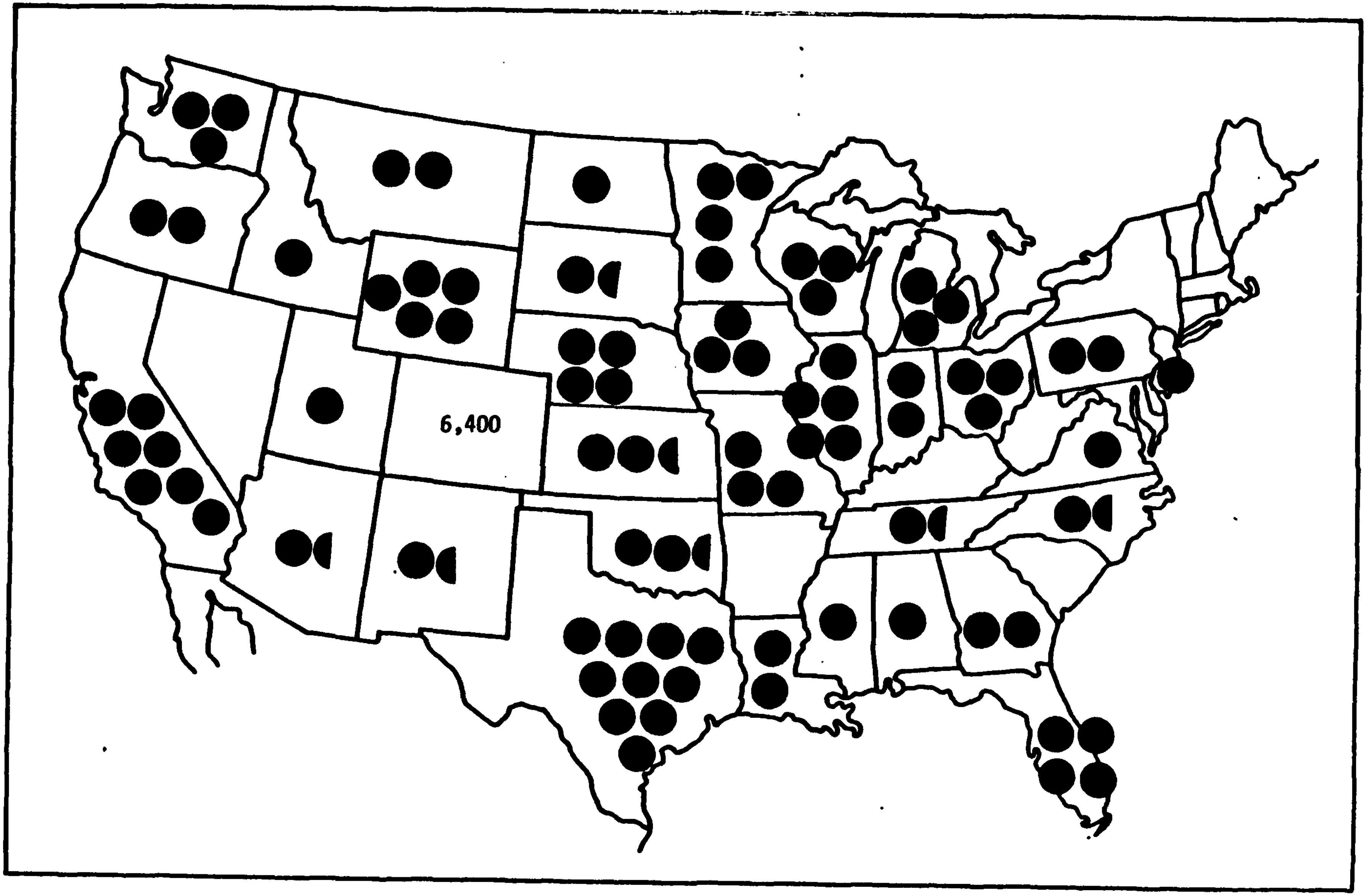
TABLE 4. VISITOR ORIGIN,
WYOMING TRAVEL COMMISSION INFORMATION CENTER,
1982 AND 1985

Location	1982	1985	Location	1982	1985
Northeast			Southeast		
Maine	55	155	Virginia	376	698
New Hampshire	70	110	West Virginia	114	244
Vermont	40	44	Kentucky	303	487
Massachusetts	226	301	North Carolina	433	809
Rhode Island	30	65	Tennessee	498	820
Connecticut	213	328	South Carolina	221	394
Pennslyvania	596	1,141	Georgia	439	921
New Jersey	350	631	Florida	1,306	2,010
Ohio	969	1,563	Alabama	394	651
Michigan	1,020	1,669	Mississippi	371	594
Indiana	634	1,322	Maryland	292	417
			Delaware	27	91
			Washington, D.C.	0	0
Total	4,203	7,329		4,774	8,136
Percent of Total	13.24%	12,48%		15.04%	13,85%
Central			West		
Illinois	1,227	2,825	Montana	364	965
Louisiana	817	1,103	Wyoming	807	2,356
Arkansas	355	710	Colorado	2,674	6,393
Missouri	945	1,765	New Mexico	362	765
Iowa	822	1,488	Arizona	518	844
Wisconsin	891	1,526	Utah	278	530
Minnesota	978	1,970	Idaho	220	539
Texas	3,101	4,981	Washington	890	1,479
Oklahoma	702	1,381	Oregon	521	991
Kansas	695	1,403	Nevada	108	183
Nebraska	782	1,988	California	2,171	3,407
South Dakota	368	884	Alaska	85	223
North Dakota	245	670	Hawaii	46	75
Total	11,928	22,694		9,044	18,750
Percent of Total	37.57%	38.63%		28.49%	31.92%
Total					
U.S. visitors	29,949	56,909			
Foreign visitors	1,800	1,839			

Source: Volunteer registration book, Wyoming Travel Commission Visitor Center, Cheyenne.

FIGURE 1.

1985 VISITOR ORIGIN--STATE TOURIST CENTER



KEY ● = 500 Visitors

Blank = Less Than 500 Visitors

Curt Gowdy State Park, 26 miles west of Cheyenne in Laramie County, encompasses 1,645 acres dedicated to recreation. Its major features include Crystal and Granite reservoirs, Hynds lodge and its natural environment. Activities at the park include fishing, boating, picnicking and camping. It ranks seventh among the 12 state parks in number of visitors.

The state park attracts a moderate number of visitors:(8)

Year	Visitors	Visitor Days
1980	70,805	198,275
1981	67,012	187,493
1982	71,684	200,676
1983	99,697	279,140
1984	89,984	168,647
1985	80,596	151,051

In 1985, roughly 80,600 people visited the park. Since 1983, visitation has dropped by nearly 20,000. Visitor days which measure park usage in terms of length of stay, similarly declined. In 1985, visitor days numbered 151,051, a 46 percent reduction since 1983. Part of this decline stems from poor weather during peak use periods as well as major construction activity on the dams which has lowered the water levels in the reservoir. While origin data are unavailable, a majority of park visitors are likely local residents.

Accommodations

The Cheyenne area includes nearly 1,770 rooms in 23 establishments. Approximately 90 percent of these rooms are available for regular commercial or tourist travel. (Certain facilities are predominantly residential in nature.)

Size. The distribution of motels by size includes:(9)

Number of Units	Number	Distribution
Less than 20	3	13%
20-49	6	26
50-99	8	35
100-149	3	13
150-199	1	4
200 or more	2	9
Total	23	100%

Nearly three-fourths of Cheyenne's rooms are located in facilities with less than 100 rooms. The majority of these smaller establishments are not associated with a national chain.

Age. Nearly two-thirds of Cheyenne's lodging establishments and half of its room-count predate 1960:(10)

	Cheyenne Area Lodging Establishments			
Age	Number of Facilities	Distri-bution	Number of Units	Distri-bution
Pre-1960	15	63%	898	51%
1960-1970	3	13	344	19
1970-1980	3	13	216	12
1980 or later	3*	13	309	17
Total	24	102%	1,767	99%

*Includes expansion of existing Holiday Inn.

Since 1980 the number of units has increased 17 percent as a result of two new motels and expansions.

Most motels cater to the overnight traveler, offering convenient access and reasonable rates. The city's three largest facilities, Little America, Hitching Post Inn and Holiday Inn, compete for the tourist market as well as the commercial traveler. These establishments offer extensive amenities including dining, recreation, conference facilities and other services. Franchises of budget motels also serve the Cheyenne tourist market. La Quinta Inn, Super 8 and Motel 6 for example attract the cost-conscious traveler. These chains often benefit from national reservation systems, marketing and name recognition.

Occupancy at area motels is greatest during the summer months. Capacity is achieved during Frontier Days. According to a survey conducted by Coley/Forrest in 1983, occupancy among the six largest motels in Cheyenne approaches 80 to 100 percent in the summer. Off-season occupancy (May to October) is lower at 50 to 70 percent. It is likely that smaller establishments experience even lower off-season occupancy because they do not capture as much business or convention trade as the larger motels.

Length of stay. Motel records give evidence of the short term nature of the visitor market. At one facility the average length of stay equals approximately 1.5 days throughout the year including commercial travel.(11) Some variation from the norm would be expected in July during Frontier Days or when the legislature is in session. Another establishment reports an average length of stay of 1.8 days throughout the year. Business travelers are more likely to stay longer in the area than tourists, which accounts for a slightly higher average length of stay than pass-through visitors as a group would exhibit.

Party size. A survey of Hitching Post's guest registrations was compiled. Average party sizes for selected months is shown:(12)

	Average Number of Guests
January	1.58
May	1.67
August	1.87
October	1.58

In the peak tourist season, party sizes tend to be larger likely reflecting family or friends vacationing together. In January and October on the other hand, smaller parties are evidenced. Commercial travelers and conference delegates make up the bulk of business in these months.

Visitor origin. The place of residence of guests for selected months at the Hitching Post follows:(13)

Origin	January	May	August	October
Northeastern states	3.5%	8.5%	11.6%	7.4%
Southeastern states	2.6	7.2	8.6	5.5
Central states	17.0	22.5	31.1	24.6
Western states (excluding Wyoming and Colorado)	11.5	22.5	21.9	20.4
Wyoming and Colorado	64.3	38.3	25.2	40.6
Other	1.2	1.0	1.4	1.5
Total	100.1%	100.0%	99.8%	100.0%

Wyoming and Colorado represent the single largest markets throughout the year. Out-of-state visitors are substantially more frequent in the summer months. Nearly three-fourths of guests travel from outside Colorado or Wyoming in August compared to 36 percent in January.

Little America and Holiday Inn also attract relatively the highest portion of their guests from Colorado and Wyoming. Other states frequently represented include California, Wisconsin, Washington, Utah and Nebraska.

Composition of market. The local lodging industry depends on support from tourists, commercial guests, truckers and government-related activity. A survey of the three full service facilities in Cheyenne indicates that commercial business accounts for 40 to 50 percent of total trade. On average, tourism generates approximately the same amount of business although it predominantly occurs in the summer months. Truckers and government-related travelers account for 10 to 20 percent of the market although this figure varies somewhat from one facility to another.

A survey reported by Coley/Forrest shows greater support from business-related travel:(14)

	Types of Guests
Tourist	36%
Business	55
Convention	9
Total	100%

According to this source, 45 percent of guests visit Cheyenne as tourists or convention delegates.

Lodging potential. The Coley/Forrest study and other sources identified expansion opportunities for the Cheyenne lodging market. Commercial travel, conventions and tourists will generate moderate demand for room nights of three percent per year between 1985 and 1990.(15) Coley/Forrest concludes this level of demand would support a 100 room facility every five years (assuming 70 percent occupancy).

These demand estimates might be overstated given present market conditions. Existing facilities appear to be satisfying current demand for lodging facilities. Annual occupancy rates of an estimated 60 percent suggest that a certain amount of excess demand might exist, except during Frontier Days. Discussions with local lodging operators indicate limited demand for additional hotel rooms.

If new lodging facilities develop, small "mom and pop" motels will become less competitive. In the future, Cheyenne can likely expect more development of "franchised" operations (i.e., La Quinta, Super 8). Smaller establishments will likely find it difficult to effectively compete in this more sophisticated market.

Campgrounds. The Cheyenne area includes five commercial campgrounds with space for over 400 travelers or tent sites:(16)

	Tents	Number of Spaces
Karl's KOA	75	100
Curt Gowdy State Park	0	78
A-B Campground	30	100
Restway Travel Park	202	48
Greenway Trailer Park	--	41
Cityland Park	--	30
Wyoming Campground	100	50

Local campgrounds rely on pass-through visitors in the summer months. Occupancy approaches 40 to 50 percent during the peak season. Rates for private campgrounds range from $8 to $10 per night. Nearly all sites are occupied during Frontier Days. Business has been flat in recent years.

Campground operators have noticed the same shifts in the tourist market as other attractions. Most traffic comes from neighboring states, the west and midwest. The retiree market is growing proportionately larger while fewer families with children are evident. The market is clearly pass-through as visitors are on their way to Yellowstone, the Black Hills, or elsewhere. Few campers spend much time in Cheyenne.

Other attractions. Other attractions in Cheyenne appeal to tourists. Examples include the Atlas Theatre Melodrama, Old West Museum, Gunslingers, Hereford Ranch and F.E. Warren Air Force Base. Shopping, restaurants and recreation also capture a share of the tourist market. Like other facilities, these highlights appeal to pass-through visitors in the summer months.

Convention Trade

Convention trade brings outside dollars into the community in much the same manner as tourist expenditures. Cheyenne benefits from the presence of state and federal government in attracting conference and business travel. The three major facilities in town can accommodate a total of 2,700 meeting delegates:

Facility	Meeting Capacity
Hitching Post Inn	1,000
Holiday Inn	1,000
Little America	700

Laramie County Community College, the Cheyenne Civic Center and other motels also provide meeting space.

The Chamber of Commerce estimates that the city attracts 10,000 delegates a year.(17) Most conventions are hosted by in-state associations or other state or regional groups. The average conference size is estimated at 250 to 300 according to one hotel operator. With the poor state economy, conference activity has declined somewhat in the most recent years.

The 1986 Meeting, Conferences and Conventions Guide published by the Wyoming Travel Commission offers another measure of the size of the conference market. In 1986, Cheyenne can anticipate approximately 12,300 delegates attending over 50 conventions. Actual numbers will likely be greater since many meetings are not planned so far in advance. As a share of the state market, Cheyenne captures roughly 15 percent of delegates among private facilities. (The Casper Events Center is excluded from this estimate.) Casper, with its 2,000 to 10,000 seat Events Center historically has realized the highest level of convention trade although its share has suffered because of the economy.

Local Tourism Indicators

In addition to visitor levels and occupancy rates, trends in gasoline consumption, traffic counts and sales receipts reveal the state of the tourist and convention market:

- Accommodations sales tax. Revenues from lodging establishments exhibited a downward trend from 1981 to 1984 as shown in Figure 2. Laramie County receipts were up to $527.5 million in 1985, a gain of 3.5 percent over the previous year.

  The highest proportion of sales takes place in the third quarter as Figure 3 depicts. In 1985, nearly 46 percent of lodging taxes resulted from third quarter earnings. In previous years, off-season months added proportionately more to lodging revenues. In 1980, second and fourth quarter revenues exceeded 1985 receipts, both in absolute dollars and as a share of the total.

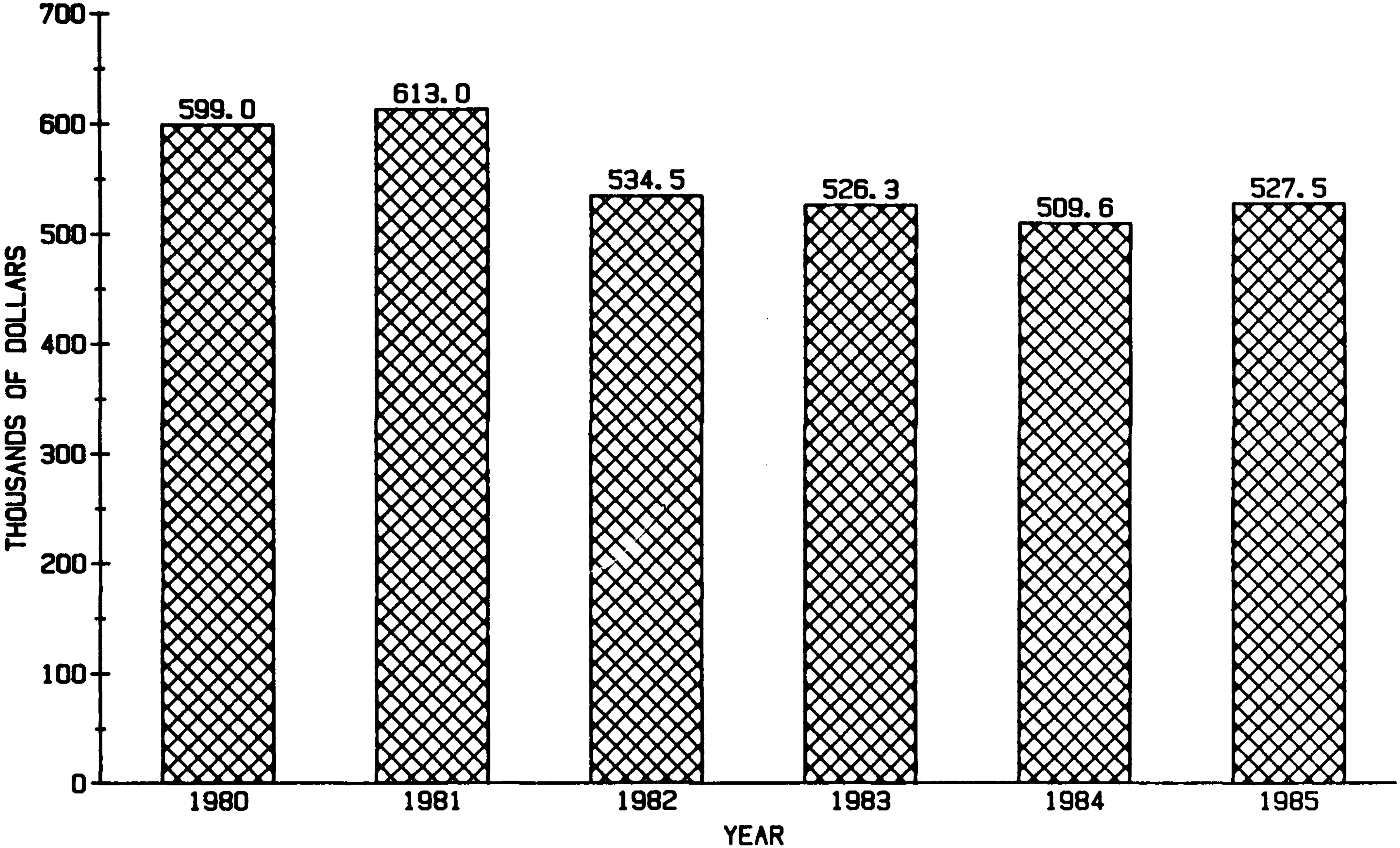
- Traffic counts. Average daily traffic along I-80 and I-25 are presented in Table 5. Traffic along I-80, a primary route to Yellowstone or Grand Teton, has increased an average of three to 20 percent along major points in Laramie County. The largest increase is reported near the eastern border of the state. Although data do not distinguish seasonal differences, it is likely that tourists made up a portion of overall traffic gains along the route.

  The average daily traffic on I-25 at the Wyoming-Colorado border increased 10 percent from 1980 to 1984. Traffic volumes decreased along this route closer to Cheyenne, by about five to 13 percent.

  While data on out-of-state vehicles are unavailable for 1984, 1980 and 1982, traffic counts indicate a sizable portion of out-of-state visitors. Along I-80 in Laramie County, out-of-state vehicles accounted for 27 to 40 percent of average daily traffic. The proportion of out-of-state motorists remained stable from 1980 to 1982. The share of I-25 in Laramie County carried between 24 and 53 percent of out-of-state vehicles. In 1982, similar proportions held with the exception of less out-of-state traffic near the Colorado-Wyoming line.

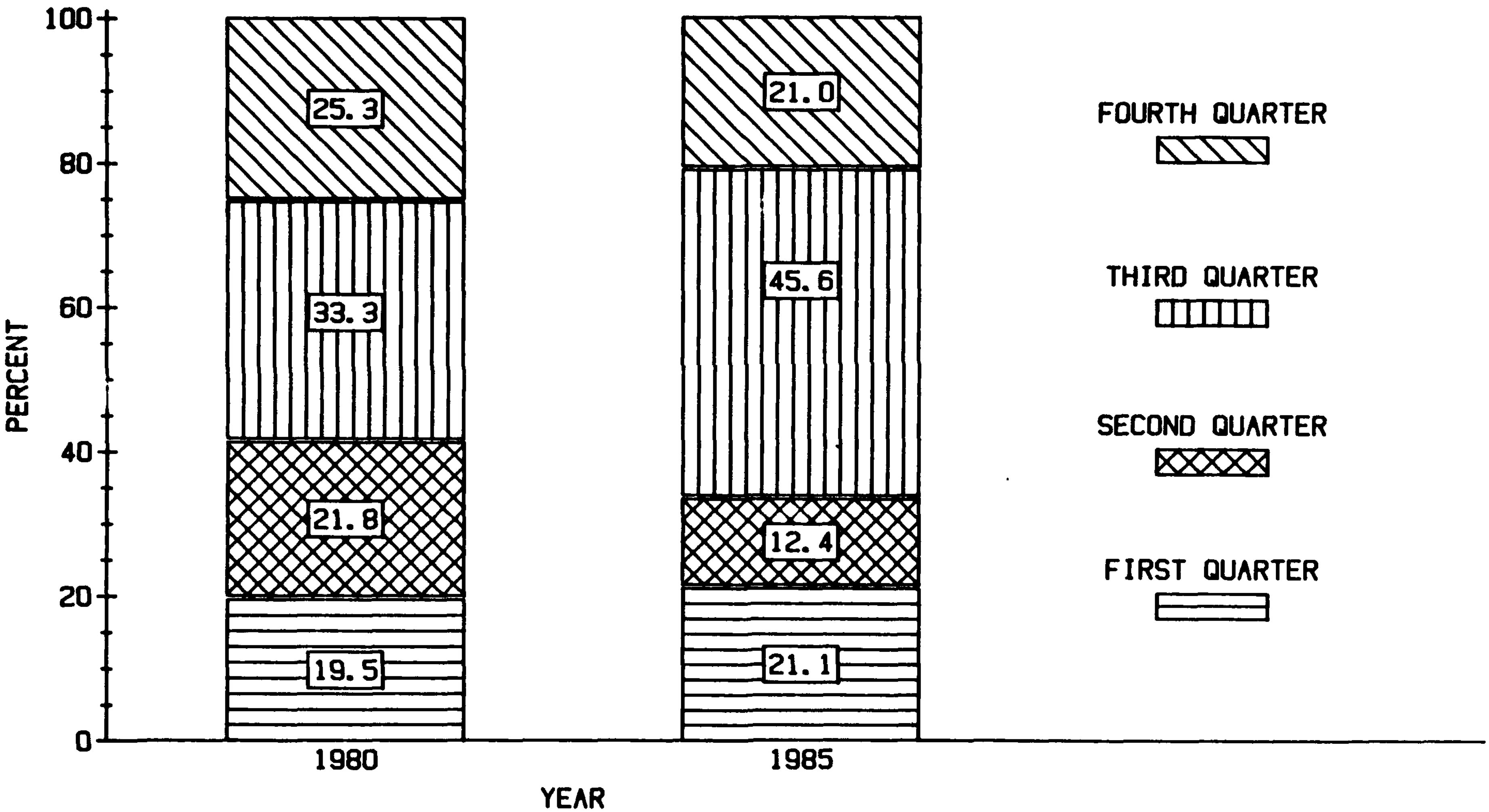
- Gasoline consumption. The volume of gasoline sales fluctuates annually. In 1984, gallons dropped 12 percent from a high of 36.6 million gallons in 1983 for Cheyenne. As shown in Table 6, over time Cheyenne has captured a larger share of county-wide sales, relative to its rural portions.

FIGURE 2. ACCOMMODATIONS SALES TAX, LARAMIE COUNTY, 1980-1985



Source: Wyoming Quarterly Update, Institute for Policy Research, University of Wyoming, Fall 1982.

FIGURE 3. QUARTERLY DISTRIBUTION OF ACCOMMODATIONS SALES TAX, LARAMIE COUNTY, 1980 AND 1985



Source: Wyoming Quarterly Update, Institute for Policy Research, University of Wyoming. Fall 1982.

TABLE 5. TRAFFIC COUNTS ALONG I-80 AND I-25, 1980-1984

	1980		1982		1984
	All Vehicles	Percent Out of State	All Vehicles	Percent Out of State	All Vehicles
<u>I-80 Laramie County</u>					
Albany-Laramie County Line	5,360	40.4%	5,570	38.8%	5,530
Cheyenne Urban Limits(W)	6,300	26.7	6,530	26.3	6,960
Cheyenne Urban Limits(E)	4,180	36.3	4,430	34.1	4,300
Wyoming-Nebraska Line (West Pine Bluffs)	3,470	36.0	3,700	34.9	4,160
<u>I-25 Laramie County</u>					
Wyoming-Colorado State Line	6,680	52.9%	7,160	45.5%	7,380
Cheyenne Urban Limits(S)	11,670	23.8	10,500	24.4	10,200
Cheyenne Urban Limits(N)	5,220	29.9	5,080	29.2	4,970
Laramie-Platte County Line	3,180	38.1	2,950	40.0	3,060

Source: <u>Wyoming Traffic</u>, 1980, 1982 and 1984 Wyoming State Highway Department, Planning Division.

TABLE 6. GASOLINE GALLONAGE (THOUSANDS OF GALLONS)

Year	Cheyenne		Other		Laramie County	
1980	31,476		10,494		41,971	
1981	33,605		8,079		41,685	
1982	34,413		7,383		41,797	
1983	36,592		6,331		42,924	
1984	31,347		6,501		37,849	
1st Qtr	7,145	(22.8%)	1,026	(15.8%)	8,171	(21.6%)
2nd Qtr	6,319	(20.1)	1,383	(21.3)	7,701	(20.4)
3rd Qtr	9,866	(31.5)	2,354	(36.2)	12,220	(32.3)
4th Qtr	8,018	(25.6)	1,739	(26.7)	9,756	(25.8)

Source: Wyoming Gasoline Gallonage Report, Petroleum Association of Wyoming.

Gasoline consumption exhibits substantial seasonal variation as a result of the tourist influence in the economy. In 1984, third quarter consumption comprised 32 percent of the annual total in the county.

Economic Impact of Tourism in Laramie County

The 1981 study by U.S. Travel Commission breaks out the economic implications of tourism by county. The methodology used in estimating economic impact likely results in overstating its benefits since anyone traveling over 100 miles is considered a tourist. Cheyenne, on the other hand, draws from a regional market; many visits are not tourist-oriented. Data for Laramie County find:

- Travel expenditures in 1981 equaled $73.9 million. Laramie County ranked fourth among the state's counties in capturing travel-related expenditures.
- Expenditures within the county yielded $2.3 million in state tax and $1.1 million in local taxes in 1981.
- Tourism-related employment in 1981 was estimated at nearly 2,100 jobs. Tourism-related payroll added $14.4 million in local income.

The Peacekeeper Environmental Impact Statement prepared by URS Berger also projects the economic impact of tourism in the county. Its findings include:(18)

- Revenues. Tourism-related activity in Laramie County totaled $77 million in 1983. A breakdown of these expenditures is:

	Tourist Expenditures, Laramie County, 1983	
Sector	Revenues	Percent of Revenues
General merchandise	$ 6,658,400	8.6%
Food stores	1,492,400	1.9
Service stations	19,229,000	25.0
Apparel and accessories	6,256,000	8.1
Eating and drinking	17,382,480	22.6
Miscellaneous retail	6,945,400	9.0
Hotels and lodging services	16,608,000	21.6
Auto repair	551,280	0.7
Recreation services	1,893,940	2.5
Total	$77,016,900	100.0%

Nearly 70 percent of tourist dollars are expended on gasoline, eating and drinking and lodging.

Market. The local tourist market expenditures were disaggregated by type of tourists (out-of-state visitors), commercial travelers (including truckers) and regional households (residents of nearby counties). URS Berger estimates that tourists bring in the most revenue of the three market segments:

Market Segment	1983 Tourism Revenues Amount	Percent
Tourists	$39.8	51.6%
Commercial travelers	28.9	37.6
Regional households	8.3	10.8
Total	$77.0	100.0%

Half of visitor-related expenditures derive from out-of-state leisure travelers.

Employment. Direct employment attributable to tourism was estimated at 2,124 full-time jobs in 1983. Employment is greatest among those sectors already identified as major revenue generators:

Market Segment	Direct Tourism Related Employment, Laramie County, 1983
General merchandise	116
Food stores	26
Service stations	335
Apparel and accessories	109
Eating and drinking	804
Miscellaneous retail	121
Hotels and lodging services	600
Auto repair	12
Recreation services	1
Total	2,124

Tourism jobs were estimated to account for almost 11 percent of the county employment base. Tourism expenditures typically generate low wage unskilled jobs. Most employment occurs in hotels, restaurants, service stations and other tourist-related businesses.

These measures of economic impact reveal that tourism is a relatively modest share of the local economic base. The annual cyclicality of this industry also deserves acknowledgment. The industry is valuable in that it adds diversity to the Cheyenne economy.

Conclusions and Recommendations

Overview. The analysis of seasonal visitation trends and origin data offers a consistent profile of Cheyenne's tourist market. Frontier Days is the premier event of the summer season and draws a regional audience. Pass-through visitors make up the rest of the summer market. These tourists

are traveling elsewhere and Cheyenne serves as a convenient stopping off point on their journeys. Currently, area hotels capture an estimated 10 percent of out-of-state travelers passing through on the interstate. Greater capture rates might be possible with extensive marketing. Often these travelers might not have the time nor inclination to spend extra time in Cheyenne. Typically, they arrive late afternoon, or early evening, and leave early the next morning. A segment of this market could likely be persuaded to spend extra time in Cheyenne if they know of particular attractions. Cheyenne is not likely to become a destination market except for Frontier Days. Development and promotion of attractions and special events can however strengthen its appeal as a major pass-through point.

Cheyenne's location on the interstates largely determines the origin of visitors. Many Colorado residents pass through on I-25. I-80 is a major route for the heavily populated states of California, Illinois and lesser populated Nebraska and other west and midwest states. Eastern markets are a relatively small component of Cheyenne's visitors.

The tourism market is highly seasonal extending from Memorial Day to Labor Day. Retirees who are a growing share of the market are more likely to travel during the shoulder seasons (i.e., spring or fall). Conferences are also more likely to take place in the off-season. Nevertheless, the bulk of tourist revenues accrue in a three to four month period.

As a pass-through point, the local tourist market depends on visitor levels at nearby national parks. In the past few years, Cheyenne's tourist market has stayed in a no-growth position at best while certain indicators point to gradual decline. Economic and social forces including gas prices, the value of the dollar, leisure time trends, and other factors influence Cheyenne's market along with the national outlook for tourism. Cheyenne can do little to affect these trends. At best it can strive to keep visitors in the community for a longer period of time. The local tourist industry can try to anticipate and be responsive to trends. For example, national indicators point to a potentially strong year for U.S. tourism in 1986. More people will be passing through Cheyenne. With effective promotion greater numbers might be persuaded to spend time visiting the community.

Recommendations. With the profile of the tourist market in mind, specific recommendations to further promote the industry are set forth:

- Target season. Excess capacity exists in the summer months in Cheyenne except for the period around Frontier Days. In planning for tourist development, it is easier to build on an existing market. In the short term at least efforts should focus on strengthening summer trade and absorbing current capacities. Shoulder season events which are more difficult to promote are a long term option.

  Cheyenne has a natural market with its extensive pass-through trade. The key is encouraging these travelers to stay awhile. The pass-through market can be difficult to penetrate. Often travelers are especially concerned with managing time or expenses and adhere to an

efficient schedule. They need to be convinced that it is worth their time to visit Cheyenne's attractions.

- Marketing. Advertising and promotion are instrumental in reaching the pass-through market. Motels and campgrounds, the Chamber Visitor Center and local businesses are the logical places to disseminate materials and inform travelers of the area's attractions. The decision to visit an amusement is often spontaneous. Although it might be desirable to reach visitors before they plan their vacations, such extensive promotion can prove costly. State publications are a better way to communicate information on Cheyenne along with the rest of the state. Targeting to specific areas, such as Illinois or California, has the potential for the highest pay off.

  A coordinated approach to advertising is suggested. The Chamber currently functions as a clearinghouse for local information. In addition, lodging operators could be informed whenever someone requests tourist information on Cheyenne. A calendar of events or newsletter directed at tourists are other options.

- Image. Cheyenne's name is widely recognized throughout the country and is closely associated with images of the "Old West." Interviews with local tourism professionals and others would indicate that the City does not live up to its reputation. The community might concentrate on cultivating its western heritage. Further rejuvenation of the western ambiance of the downtown might be one way to accomplish this. Special events drawing on the local history such as the upcoming Trainfest or Gunslingers are other options.

- Resources. Financial and organizational support are needed to adequately promote tourism. The proposed lodging tax represents a valuable opportunity to fund tourism promotion. Cheyenne should also continue to take advantage of matching funds through the state for advertising.

- Attractions. Cheyenne currently has few attractions to hold visitors. Local tourism professionals emphasized the need to develop more features for visitors such as an improved state museum or a railroad museum. Special events can also serve as major attractions as evidenced by Frontier Days. The development of a major attraction however often requires substantial capital and can entail considerable risk. Competition from other areas also deserves acknowledgment. Denver, for instance, has several railroad museums.

A combination of public and private investment can enhance the feasibility of developing a major attraction. The Territorial Prison in Laramie represents an example of combining public and private resources. The Wyoming Cultural Heritage Center is one immediate opportunity for Cheyenne to expand its base of attractions. Competition from other communities is expected; a coordinated and well structured lobbying effort will be required. This should become a high priority issue for the community.

- Events. Another option might be to host special events such as the Trainfest or Bluegrass festival. This strategy is less capital intensive and would help build a base of support for future facilities. It would entail extensive coordination and marketing. Locations for special events are also considerations. Frontier Park could prove suitable for certain events. The Frontier Days Committee is attempting to book special events such as a tractor pull, circus or concerts. The Civic Center provides an additional option for selected events.

Tourism is not a panacea for economic development in Cheyenne. As an industry, it has limited impact on the local economy. While it supports employment, jobs are often low paying and unskilled. Further, the visitor season in Cheyenne is relatively brief. Finally, the cyclical aspect of the industry renders reliance on this sector a tenuous proposition.

Tourists do bring outside dollars into the community. Increasing visitor expenditures can strengthen the economic base. The community could enhance the value of tourism through capturing a greater share of the pass-through market, and creating opportunities for greater expenditures to take place in Cheyenne. Potential exists for the expansion of tourism through added investment in promotion, special events and attractions.

REFERENCES

(1) Wyoming Quarterly Update, selected years.

(2) U.S. Travel Data Center, The Economic Impact of Travel on Wyoming Counties, 1981, July 1987.

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(4) Interview with Betty Giffin, tour coordinator, Wyoming State Capitol, February 1986.

(5) Wyoming State Archives, Museums and Historical Department.

(6) Guestbook and annual visitation records, the National First Day Cover Museum.

(7) Wyoming Travel Commission Visitors Center, annual visitation records and guestbook.

(8) Wyoming Recreation Commission, Visitor Use Program, 1985.

(9) Coley/Forrest, Inc., Market Potential of Downtown Cheyenne, February 1985.

(10) Ibid.

(11) Interviews with Harold Higginsen, Little America, Glen Mackey, Holiday Inn and Paul Smith, Hitching Post, February-March 1986.

(12) Ibid.

(13) Ibid.

(14) Coley/Forrest, Inc., op. cit.

(15) Coley/Forrest, Inc. (estimates prepared by Wyoming Resources Research Institute), op. cit.

(16) Cheyenne Frontier Days Accommodations Guide and interviews with Betty Giffin, A B Camping campground and Bill and Alice Karl, KOA campground, February 1986.

(17) Coley/Forrest, op. cit.

(18) Department of the Air Force, Peacekeeper in Minuteman Silos, Economic Base Analysis Working Paper #8, URS-Berger, May 1984.

Note: Visitor origin data for area attractions were compiled by the Cheyenne-Laramie Regional Planning Office. More detailed information on origin by specific state is available through this office.